III.

This Decree is binding upon the Defendants and their subsidiaries, successors and assigns and each of their officers, directors, agents, employees and all persons in active concert or participation with them who shall have received actual notice of this Decree by personal service or otherwise.

IV.

The Court has received in evidence, as El Paso's Exhibit A, El Paso's Proposal for Divestiture which contains a plan of divestiture hereafter referred to as the "Plan of Divestiture." After due hearings thereon, this Court finds that the Plan of Divestiture, as modified by this Decree, complies with the mandate of the Supreme Court in this matter, and the Plan of Divestiture, as so modified, is accordingly approved by this Court. El Paso is ordered and directed to commence effectuating the Plan of Divestiture in the following manner:

(A) El Paso is ordered and directed to effect promptly the organization and creation of a corporation, hereafter called "New Company." As soon as practicable New Company shall employ as its chief executive officer a qualified person satisfactory to and approved by Plaintiff, El Paso and the Court, who also shall act as voting trustee as hereinafter provided. New Company and its chief executive officer, as voting trustee, shall each submit to the jurisdiction of this Court as parties and shall file with this Court their agreements to be bound by such orders as may be entered herein;

(B) An application on behalf of New Company shall be filed with the Federal Power Commission at the ear-

liest practicable date requesting the issuance of a certificate of public convenience and necessity authorizing New Company to acquire, own and operate the properties to be received from El Paso. New Company also shall file with the Federal Power Commission, concurrently with the transfer of assets and liabilities authorized and ordered by subsection (C) of this Section IV, the same tariffs, rates, rules, regulations and other conditions of service then in effect and applicable to the service to be rendered by New Company, including the agreement of New Company to comply with the provisions of the rate settlement agreement approved by the Decree is not intended to impinge upon whatever jurisdiction the Federal Power Commission may have under the Natural Gas Act with respect to New Company including, without limitation, whatever jurisdiction the Commission may have under said Act with respect to the contracts under tabs 3, 4, 5 and 6 of the Plan of Divestiture.

(C) Upon securing the necessary certificates, authorizations, orders, consents and approvals hereinbefore referred to, El Paso shall promptly divest itself by transfer to New Company of the properties, assets and related liabilities set forth in the Plan of Divestiture. Upon such transfer, New Company shall assume such of El Paso's present bonds and debentures, and shall issue its own bonds and debentures in satisfaction of such obligation to the holders of the bonds and debentures of El Paso, in the amounts and upon the terms provided in the Plan of Divestiture, and shall issue to El Paso all of its capital stock;

(D) Within three years after the transfer of the assets to New Company as herein provided, El Paso shall,

consistent with the provisions of Sections V and VI of this Decree, divest itself of all of its legal and equitable right, title and interest in and to said shares of stock in New Company by one of the following methods:

(1) within eighteen (18) months after said transfer, El Paso may accomplish such divestment by distributing at least 80% of the shares of stock in New Company to such holders of El Paso's Common Stock as shall elect to exchange their shares of El Paso Common Stock for shares in New Company, and who shall own no other shares of Common Stock of El Paso immediately after the exchange, and selling any remaining unexchanged shares of New Company to the public in the manner provided in clause (2) of this subsection (D); or

(2) if El Paso shall not have divested itself of all of its legal right, title and interest in and to said shares of stock in New Company in the manner and within the period of time provided in clause (1), above, then El Paso shall sell the shares of stock in New Company by one or more sales to the public through an underwriter or underwriters, such underwriter or underwriters and any ageement with them (except as to price) to be approved by the Court upon not less than ten days' prior written notice to Plaintiff, provided that no officer or director of El Paso and no owner of capital stock of El Paso in excess of one-half of one per cent of the total shares outstanding shall be permitted to purchase any stock in New Company upon such sale or sales.

(E) Within one year after entry of this Decree El Paso shall fully and completely divest itself of all legal and equitable right, title and interest in and to the Company, Limited, by the sale thereof to such person or persons as the Court may approve after notice to 1,157,125 shares of stock in Westcoast Transmission Plaintiff;

(F) El Paso shall take such other and further action as shall be necessary and appropriate for the consummation of the Plan of Divestiture;

(G) Until completion of the divestiture ordered by subsection (D) of this Section, El Paso shall report from time to time to this Court, at intervals of not more than 6 months, with respect to its progress in complying with the provisions of this Decree.

V.

Forthwith upon issuance of shares of stock in New Company in exchange for assets as provided in subsection (C) of Section IV, El Paso shall transfer all such shares to New Company's chief executive officer, as voting trustee, who shall thereafter exercise all voting rights with respect to such shares. Such shares of stock in New Company shall be released by said chief executive officer, as voting trustee, only in accordance with divestiture by El Paso of its legal and equitable interest therein pursuant to this Decree.

VI.

Defendant El Paso is enjoined and restrained from:

(A) Except as contemplated in this Decree, acquiring any capital stock or financial interest whatsoever in New Company or any assets thereof;

(B) For ten (10) years after the date of entry of this Decree, acquiring or holding after such acquisition, directly or indirectly, any natural gas transmission properties in the United States, or any of the capital stock, of any person engaged in the transmission of natural gas in the United States (other than purchases of the capital stock of any such person, except New Company, on behalf of the Employees Retirement Income Plan and/or the Employees' Savings Plan of El Paso resulting in holding by said Plans of less than one-half of one per centum (½ of 1%) of the capital stock of such person) except with the approval of the Plaintiff herein or after establishing to the satisfaction of this Court, upon notice to the Plaintiff, that the effect of such acquisition will not be to substantially lessen competition or tend to create a monopoly in any line of commerce in any section of the country;

(C) Having any person as an officer or director who is at the same time:

(1) an officer, director or employee of New Company;

(2) the owner of any capital stock of New Company or a person a member of whose immediate family is the owner of more than one-tenth of one per centum (1/10 of 1%) of the capital stock of New Company;

(D) Employing, during a period of five (5) years from the date New Company shall first start service, any employee of New Company without first obtaining the consent in writing of New Company.

VII.

For the purpose of determining or securing compliance with this Decree, duly authorized representatives of the Department of Justice, shall, on written request of the Attorney General or the Assistant Attorney General in charge of the Antitrust Division, and on reasonable notice to either El Paso or the New Company, made to its principal office, be permitted, subject to any legally recognized privilege and with the right of said Defendant to have counsel present:

(A) Reasonable access, during office hours of such Defendant, to all books, ledgers, accounts, correspondence, memoranda and other records and documents in the possession or under the control of such Defendant, relating to any matters contained in this Decree; and

(B) Subject to the reasonable convenience of such Defendant and without restraint or interference from it, to interview officers or employees of such Defendant, who may have counsel present, regarding any matters contained in this Decree;

Upon written request, such Defendant shall submit such reports in writing with respect to matters contained in this Decree as may from time to time be necessary to the enforcement of this Decree.

VIII.

Jurisdiction is retained by this Court over the parties, and after they have submitted thereto over New Company and its chief executive officer in his capacity as voting trustee, for the purpose of enabling any of the parties to this Decree to apply to this Court at any time for such further orders and directions as may be nec-

essary or appropriate for the construction or carrying out of the orders of this Court, for the amendment thereof, for the enforcement of compliance therewith, and for the punishment of violations thereof.

Dated: June 24, 1965

/s/ Willis W. Ritter
United States District Judge

UPREME COURT, U.S.

Nos. 1090 and 1101

FILED
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JOHN F. DAVIS, CL

In the Supreme Court of the United States

OCTOBER TERM, 1966

CASCADE NATURAL GAS CORPORATION,
Appellant,

vs.

UNITED STATES OF AMERICA, EL PASO NATURAL GAS COMPANY and PACIFIC NORTHWEST PIPELINE CORPORATION,
Appellees.

No. [redacted]

PEOPLE OF THE STATE OF CALIFORNIA,
Appellant,

vs.

UNITED STATES OF AMERICA, EL PASO NATURAL GAS COMPANY and PACIFIC NORTHWEST PIPELINE CORPORATION,
Appellees.

No. [redacted]

On Appeal from the United States District Court
For the District of Utah, Central Division

Motions of El Paso Natural Gas Company to Dismiss or Affirm

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